$~85

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ W.P.(C) 15369/2025

PREMKALA JHA .....Petitioner

Through: Mr. Shankar K. Jha, Mr. Manu Monga and Mr. Sandeep Goswami, Advocates.

versus

STATE BANK OF INDIA & ORS. .....Respondents

Through: Mr. S. Rajappa, Mr. R. Gowrishankar and Ms. G. Dhivyasri, Advocates for R-2, 3.
Mr. Yash Kotak, SC for R-1, 4, 5.

CORAM:
HON'BLE MR. JUSTICE SANJEEV NARULA

O R D E R

% **20.04.2026**

CM APPL. 25418/2026 (for direction)

1. In view of the grounds stated in the application, and with the consent of counsel for the parties, the main writ petition is taken up today for hearing on the limited surviving issue, namely, the Petitioner's claim for interest on delayed payment of pension arrears. No separate directions are therefore required in the present application.

2. The application is disposed of.

W.P.(C) 15369/2025

3. The Petitioner is the widow of late Shri Jagdish Jha, a deceased pensioner, and is a senior citizen. She has approached this Court aggrieved by the failure of Respondent No. 1 to release the arrears of pension payable to her deceased husband in terms of the revised superannuation order dated 05^{th} /09^{th} November, 2020.

4. It is the Petitioner's case that, although revised pension began to be paid prospectively from January 2022, arrears for the period 01st January, 2006 to December 2021 were not disbursed despite repeated representations, compelling her to invoke the writ jurisdiction of this Court.

5. Counsel for the Petitioner submits that the Respondents were under a clear obligation to disburse the revised pension together with all consequential arrears once the revision stood recognised. It is urged that the arrears were withheld for an inordinate period and came to be released only after institution of the present proceedings. On that basis, it is contended that the Petitioner is entitled to interest on the delayed payment. Reliance is placed on the judgment of this Court in ***Municipal Corporation of Delhi v. Bijender Singh***[1] in this regard.

6. The Respondents have filed a counter affidavit. They have not disputed the Petitioner's entitlement on merits. Their explanation is that the delay occurred on account of migration of the pension account to the Centralised Pension Processing Centre in May 2022 and the non-availability of historical records necessary for computation. It is stated that, upon examination, arrears amounting to INR 19,95,116/- were computed and paid to the Petitioner.

7. Since the amount of INR 19,95,116/- has admittedly been paid towards arrears, the dispute regarding the principal amount no longer survives. The only question that remains is whether the Petitioner is entitled to interest for the delayed disbursement, and, if so, at what rate.

8. Before turning to that issue, the objection as to territorial jurisdiction may be noticed. Counsel for the Respondents submits that no part of the

cause of action arises within the jurisdiction of this Court, as the pension account is maintained in Bihar and the Centralised Pension Processing Centre is located at Patna.

9. This objection does not merit acceptance. The grievance raised in the present petition concerns non-payment of pensionary benefits to the Petitioner, who is residing within the jurisdiction of this Court and is receiving pension in her account here. The denial complained of is not a one-time event confined to the place of computation. It is a continuing financial deprivation felt by the Petitioner where she receives and depends upon the pension. In addition, Respondent No. 1 is a nationalised bank amenable to writ jurisdiction. In these circumstances, this Court is satisfied that a material part of the cause of action arises within its territorial jurisdiction.

10. On merits, the position in law is clear. Pension and retiral dues are no longer treated as a bounty dependent upon the discretion of the employer. They constitute a valuable right. The Supreme Court in ***State of Kerala v. M. Padmanabhan Nair***[2] made it clear that delay in settlement and disbursement of pensionary benefits must visit the employer with the liability to pay interest till actual payment.

11. The same principle continues to inform the statutory regime as well. Rule 65 of the Central Civil Services (Pension) Rules, 2021 provides for payment of interest where authorisation or payment of pensionary benefits is delayed due to administrative reasons or lapses. The rule reflects, in statutory form, the broader principle that a retiree or family pensioner cannot

---

[1] 2024:DHC:8576-DB.

[2] (1985) 1 SCC 429.

be deprived of monies lawfully due and, at the same time, be denied compensation for the period during which those monies remained wrongfully withheld.

12. This Court is also in agreement with the approach adopted by the Coordinate Bench in ***Municipal Corporation of Delhi v. Bijender Singh***, where interest on delayed retiral dues was upheld. The principle underlying such directions is not punitive. It is compensatory. A person entitled to pensionary dues is deprived, during the period of delay, of the use of money lawfully belonging to him or her. Interest is therefore awarded to offset that deprivation.

13. Tested on that anvil, the Petitioner's claim deserves acceptance. It is not in dispute that the arrears pertained to a period commencing from 01st January, 2006 and became payable in terms of the revised pension framework. It is also not in dispute that the arrears were in fact released only on 29th November, 2025, and that too after the present writ proceedings had been instituted. There has thus been substantial delay in disbursement of amounts lawfully due from their respective dates of accrual.

14. The explanation offered by the Respondents, namely, migration of the account to the Centralised Pension Processing Centre and difficulty in reconstructing historical records, may explain the delay to some extent. It does not, however, efface the consequence of that delay. Administrative inconvenience or record-related difficulty cannot be placed on the shoulders of the pensioner or, as in the present case, the widow of the deceased pensioner. Pensionary arrears, once found due, ought to have been computed and released within a reasonable time.

15. This Court does take note of the circumstances pointed out by the Respondents, namely, that the entitlement of the Petitioner was not disputed on merits, that the delay has been explained as arising from account migration and reconstruction of historical records, and that the arrears have since been computed and released. Those circumstances may bear on the rate of interest. They do not extinguish the liability to pay interest altogether.

16. Having regard to the totality of the circumstances, including the long period for which the arrears remained unpaid, this Court considers it appropriate to award interest at the rate of 6% per annum. In the opinion of the Court, the said rate strikes a just balance between compensating the Petitioner for the deprivation suffered and recognising that the Respondents have now released the principal amount and have not contested the entitlement on merits.

17. Accordingly, Respondent No. 1 is directed to compute and pay interest to the Petitioner at the rate of 6% per annum on the arrears from the dates on which the revised pension became due, up to 29th November, 2025, being the date of actual payment.

18. The aforesaid interest component shall be computed and remitted to the Petitioner within a period of eight weeks from today.

19. The writ petition is disposed of in the above terms. Pending application(s), if any, also stand disposed of. The next date of hearing, i.e. 22nd July, 2026, stands cancelled.

SANJEEV NARULA, J

APRIL 20, 2026/*nk*